

Exhibit 2

Deposition Transcript of Jesse Combs
May 24, 2022

1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK

3 HUDSON TECHNOLOGIES, INC.; HUDSON
4 TECHNOLOGIES COMPANY, F/K/A ASPEN
5 REFRIGERANTS, INC.,

6 Plaintiffs,

7 v.

Case No. 1:21-CV-00297 (JPO)

8 RGAS, LLC,

9 Defendant

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13 Deposition of

14 Jesse Combs

15 Tuesday, May 24, 2022

16 8:00 a.m., Mountain Time
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25 Reporter: Barbara J. Carey, RPR
Job No: 211647

J. Combs

A. We're not -- we're not -- yeah, we're not reacting feedstock chemicals to make refrigerants.

Q. Okay. And does RGAS have its own warehouses where it stores its refrigerants, or do you contract with third-party warehouses?

MS. GABAY: Objection to form.

A. So again, I think it's important for us to talk about time periods.

Q. Sure.

A. So what time period would you like to talk about?

Q. We can start, you know, that 2000 -- second half of 2020, start there.

A. So in the second half of 2020, RGAS did not own any of its own warehouse facilities. We outsourced this.

Q. Okay. And when you said you outsourced, what kind of services did those third-party warehouses provide?

A. So they provided receiving, shipping, storage, you know, assembly pallets of merchandise. They also provided -- you know, they would do all the -- the Hazmat -- there were Hazmat-certified warehouses, so they also provided the expertise in terms of hazardous shipping, so bills of lading, creating the bills of

1 J. Combs

2 MR. DOROGHAZI: That's okay. I'll start
3 over.

4 Q. In 2020, did RGAS employ anyone in-house, so
5 an RGAS employee, who was responsible for ensuring that
6 product was properly labeled?

7 MS. GABAY: Objection to form.

8 A. So your question does not have the word -- the
9 new question is not were they an expert; right? I just
10 want to make sure I understand your question.

11 Q. My question is -- take a step back. Let me
12 rephrase it again.

13 In 2020, did RGAS employ anyone directly whose
14 job responsibility it was to ensure that products were
15 properly labeled?

16 MS. GABAY: Objection to form.

17 A. My understanding from speaking with employees
18 about this, is at that time we were relying solely upon
19 our third-party logistics warehouses for creating all of
20 our bills of lading, and we were -- and so, therefore, we
21 were relying on them to make sure the shipments were
22 properly documented, et cetera, prepared for shipment as
23 hazardous goods have to be prepared.

24 Did that answer your question?

25 Q. I think it does.

1 J. Combs

2 So it sounds like the answer is, in 2020,
3 there was not a person employed directly by RGAS to
4 provide that service, but it was -- you were, instead,
5 relying on the third-party warehouses?

6 Is that a fair summary?

7 A. I think that's a good summary.

8 MS. GABAY: John, do you have a lot more
9 questions on this topic, or are you switching topics? I'm
10 just asking 'cause I need a bathroom break.

11 THE WITNESS: Yeah, time out. Off the
12 record.

13 MR. DOROGHAZI: We can take a bathroom
14 break.

15 (Whereupon, a recess was taken from
16 9:08 a.m. to 9:15 p.m.)

17 THE REPORTER: We're back on the record
18 at 9:15.

19 BY MR. DOROGHAZI:

20 Q. Just a few kind of random questions and then
21 I'm going to switch topics.

22 We talked a little bit about RGAS's activities
23 in the refrigerant market in 2021 and 2022.

24 In general, is it your view that sales that
25 have been made by RGAS during that time period have been

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A. No, I would say, in 2020, we -- generally the same, but probably -- probably more downstream customers, probably more -- you know, it would be same general -- you know, same markets, but different mix of -- yeah, different percentage mix.

Q. And I believe you mentioned that, you know, the late '90s into the 2000s, you ran a company called Coolgas; is that right?

A. That's correct. Yes.

Q. Is Coolgas also a refrigerant distributor?

A. It was.

Q. And did Jason Crawford work for you at Coolgas?

A. He did. Not during the whole time period, but yes, he did.

Q. Okay. What part of the time period did he work with you at Coolgas?

A. I don't recall exact dates, but John, I would say that he was probably there the last two or three years that -- no, at least two or three years, you know, so call it 2009, maybe, to 2012.

Q. Okay. And what did Jason do for you when he was at Coolgas?

A. I think, in the beginning, I think he started

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off as vice president. He was hired on as vice president, and then at the, you know, near the end, at some point, he became president.

Q. And then I believe you said you sold Coolgas to A-Gas sometime in 2012; is that right?

MS. GABAY: Objection to form.

A. Yes.

Q. Okay. And just make the record clear, I think you said, as part of that transaction, there was some kind of non-compete or prohibition on you engaging in the refrigerant industry for a number of years?

A. Yes, there was a non-compete agreement for, I believe, it was five years.

Q. In the U.S. market, I think, is what you said?

A. Yes, and it -- you know, it wasn't all-encompassing, but generally speaking, it limited me from being able to transact, sell refrigerants in the -- in the U.S.

Q. You said it limited you from selling refrigerants.

Were you able to purchase refrigerants, or were you barred from purchasing refrigerants as well?

A. I wasn't barred -- you know, again, John, I don't recall the specifics of the contract, but I do

1 J. Combs

2 recall that I was -- certain refrigerants, I was able to
3 still purchase for the purposes of stockpiling, but not to
4 sell, and then, you know, with respect to some
5 refrigerants, I was allowed to sell them, but it's through
6 a supply agreement with the company that purchased
7 Coolgas.

8 Q. Okay. And did you, in fact, stockpile some
9 refrigerants during that non-compete period?

10 A. I believe, yes, I believe in the U.S., I
11 believe in 2016 and possibly 2017, I did stockpile some
12 refrigerants, yes.

13 Q. Do you recall what refrigerants?

14 A. Primarily HFCs -- 134A.

15 Q. Okay. And in the Coolgas transaction --
16 strike that. Let me ask it differently.

17 When Coolgas was purchased by A-Gas, did A-Gas
18 purchase Coolgas's entire inventory, or was there some
19 part of the inventory that was carved out?

20 MS. GABAY: Objection to form.

21 A. They purchased 100 percent of Coolgas's
22 inventory.

23 Q. I think you said RGAS was founded in 2017 or
24 2018.

25 Does that sound right?

1 J. Combs

2 A. I believe that's correct.

3 Q. At the time it was founded, did it have any
4 inventory?

5 A. It did not.

6 Q. Okay. And jumping ahead here to the -- the
7 inventory that was at issue in the second half of 2020
8 with Hudson, where was that inventory purchased from?

9 MS. GABAY: Objection to form.

10 A. Well, that is a really broad question because,
11 I mean, various places. Yeah, I mean, some of it was
12 purchased domestically, some of it was imported, some of
13 it was purchased from affiliated companies. Yeah, I mean,
14 I can't -- sitting here today, I can't recall where RGAS
15 purchased all of its inventory.

16 Q. You said some of it was purchased from
17 affiliated companies.

18 What companies are those?

19 A. One would be Combs Investment Properties, one
20 would have been a company called CGAS. I think that's
21 it -- I'm sorry, there's another company called Combs Gas,
22 but I don't know if it had purchases from Combs Gas or
23 not, so...

24 Q. The inventory purchased from Combs Investment
25 Properties and from CGAS, do you have any recollection of,

1 J. Combs

2 you know, when that inventory was originally packaged?

3 MS. GABAY: Objection to form.

4 A. So can you be more specific, like talk maybe
5 specific refrigerants?

6 Q. Sure, and we can go through the list.

7 A. I'm just saying because, I mean, these are
8 like super broad, like super general questions. I mean,
9 it's like -- you know what I mean? It's like walking in
10 Walmart and saying, "Hey, do you all know when the
11 merchandise was purchased?" You know, and there's
12 thousands of items, and it turns over a lot, so...

13 Q. Let me ask it this way.

14 A. Sure.

15 Q. So, you know, RGAS purchased inventory from
16 Combs Investment Properties and CGAS, it sounds like, in
17 2018 or '17 when it was begun; is that right?

18 MS. GABAY: Objection to form.

19 A. I don't recall the exact dates. It would have
20 been as it needed product for its inventory, then it would
21 have made purchases, but it would have had to have been
22 after RGAS was formed.

23 Q. Okay. And, you know, for example, do you know
24 when Combs Investment Properties or CGAS had purchased the
25 R22 that it then later sold -- it later sold to RGAS?

1 J. Combs

2 A. They are. It's my understanding, yes.

3 Q. And your understanding is they're a company
4 that, you know, will sometimes buy refrigerants?

5 A. Yes.

6 MS. GABAY: Objection. Objection to
7 form.

8 Q. And they're also sometimes a company that will
9 sell refrigerants?

10 MS. GABAY: Objection to form.

11 A. Yes.

12 Q. And within the market of distributors of
13 refrigerant gases, you know, what's Hudson's size relative
14 to other distributors?

15 MS. GABAY: Objection to form.

16 Q. I'll ask it this way:

17 You know, is Hudson a large player in the
18 market or a small player, or somewhere in-between?

19 A. No, I would say that they're a large player.

20 Q. Do you have any knowledge if they're a large
21 player as it relates to the buying and selling of R22?

22 A. Yes. No, I believe that they are.

23 Q. And R22 is also sometimes commonly known as
24 Freon.

25 Is that -- is that what it is?

1 J. Combs

2 that time; is that correct?

3 A. That's correct.

4 Q. And it was looking to get rid of its entire
5 inventory; right?

6 A. That was the goal. Yes, that would have been
7 the goal.

8 Q. And why did RGAS decide that it wanted to sell
9 its inventory?

10 A. Well, as I referenced earlier, you know, I've
11 been involved in several businesses and, you know, the
12 refrigerant market or the refrigerant business was what I
13 would consider pretty depressed around this time period --
14 well, it had been for several years, especially
15 refrigerant distribution business, and, you know, I
16 believed that there would be a better allocation of the
17 capital that was being put in place -- put to work at RGAS
18 and some of the other industries that I participated in.

19 Q. I actually asked this before, I apologize.

20 We were talking before about the services the
21 warehouse -- warehouses provided to you in 2020.

22 Do you recall that?

23 A. Yes.

24 Q. Do you recall, did the warehouses inspect
25 product that you purchased as it arrived at the warehouse

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continue to sell product, and obviously, that's working towards a liquidation. So I would say that was the first and foremost step.

Then around, I believe, late July/early August of 2020, I instructed Jason Crawford to reach out to other larger refrigerant distributors to see if any of them would have interest in purchasing our remaining inventory.

Q. Okay. And I take it one of those distributors was Hudson?

A. It was.

Q. And was Jason instructed to ask the larger distributors, like Hudson, to place a bid or some kind of proposal to purchase all of the inventory? Was that the ask?

MS. GABAY: Objection to form.

A. I think -- generally speaking, I think he was reaching out and asking them if they would be interested in making an offer for our remaining inventory. I don't -- you know, as a company representative, I've seen the word "bid" in some emails going back-and-forth, but I wouldn't describe the process as any kind of formal bid process. It was very just general reaching out to companies and asking them, "Hey, would you be interested in making an offer on our remaining inventory? If you

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product; is that right?

A. Well, I think you've got a sort of -- I think it's an overgeneralization, so in terms of trying to find a company or customer that would purchase all of our remaining product, yes, then, you know, that would have been Jason.

However, you know, our sales -- our salespeople were continuing to sell product every day and continuing to reach out to others every day, and selling, you know, product every day. So, yeah.

Q. Okay. Yeah, let me -- let me be more precise, which is in this effort to sell the entire inventory, that was something that was assigned to Jason?

A. Yes.

Q. And was Jason authorized to, you know, reach an agreement on that sale on his own, or did he have to get your approval?

MS. GABAY: Objection to form.

A. No, he would have sought my approval.

Q. Okay. And was that -- was that a formal requirement, or was that just his understanding of, you know, working with you previously?

MS. GABAY: Objection to form.

A. I mean, I would say both.

1 J. Combs

2 MS. GABAY: I'm sorry, what tab is that?

3 MR. DOROGHAZI: 72.

4 MS. GABAY: 72?

5 MR. DOROGHAZI: And I think it's

6 RGAS 1235 through 1239.

7 Q. And this looks to be an email from
8 Mr. Crawford to you from the day before the email we just
9 looked at. And there's a line in it that says, in this
10 email from Jason to you, "Either they don't have the money
11 or they just want the R22 and will take the other products
12 at break-even."

13 Do you see that?

14 A. I do.

15 Q. Do you have any understanding of what
16 Mr. Crawford meant by that phrase, "They just want the R22
17 and will take the other products at break-even"?

18 MS. GABAY: Objection to form.

19 A. Well, at this point, I think we were starting
20 to -- yeah, I mean, they had -- they had, from the
21 beginning, they had offered to only take the R22, and we
22 always were sort of -- well, again, the question is what
23 Jason meant by this or...

24 Q. Right. I'm asking what you understood him to
25 be referring to?

1 J. Combs

2 A. Give me just a second, John.

3 I mean, I would think he means by "either they
4 don't have the money" is that, you know, we had -- well --

5 Q. Yeah, I'm just asking you about the phrase,
6 "or they just want the R22 and will take the other
7 products and break-even."

8 A. Got it.

9 Q. I'm just asking you what your understanding is
10 of that portion of the email?

11 A. My understanding wouldn't be anything more
12 than what it says, which is, "Or they just want the R22
13 and will take the other products at break-even," meaning
14 that they -- I mean, the R22, of all these gases at this
15 particular time, would have been the most desirable, and,
16 you know, because we were pretty adamant about wanting to
17 sell all of the merchandise together, because we didn't
18 want to be left with the non-R22 products without R22 to
19 sell along with it, I think he's basically assuming that
20 he understands -- I think -- my best understanding would
21 be from looking at this that the context here from Jason
22 is that they probably just want the R22, but what he's not
23 saying, but I think he's implying, is that they know that
24 we're not going to sell them just the R22. So it's
25 like -- you know, they probably just want the R22 and will

1 J. Combs

2 take the other products at break-even.

3 Q. Okay.

4 A. But again, I mean, that's an assumption. I
5 mean, without -- this is an email from Jason to me. It's
6 hard for me to say what he means.

7 Q. Got it.

8 MR. DOROGHAZI: And can you turn to
9 Tab 47, which is going to be marked as Exhibit 9.

10 (Whereupon, Exhibit 9, Text Messages Bates:
11 RGAS000608 to 617, was marked.)

12 MR. DOROGHAZI: And it's RGAS 609 to
13 RGAS 617. Let me know when you're there.

14 THE WITNESS: Okay. I'm here.

15 Q. So first of all, I think I got this right, but
16 I want to make sure. This looks to be screenshots from
17 your phone with communications with Jason Crawford.

18 Is that right?

19 A. I don't -- what are you basing that on, John?

20 Q. I'm basing it on that I don't think anyone
21 else has told us they sent text messages, and it's got a
22 picture of Jason as the contact, and the context appears
23 to be you and Jason talking, but I'm just trying to make
24 sure that's accurate.

25 MS. GABAY: Objection to form.

1 J. Combs

2 Q. So you may not have been focused on them, but
3 you were aware they existed; right?

4 MS. GABAY: Objection to form.

5 A. You know, honestly, John, sitting here today,
6 I can't -- I can't say -- I mean, I'm obviously aware they
7 exist today. As a company representative, I've seen these
8 documents dozens of times in the last year. If I, you
9 know, go back into September 23rd, I do not recall having
10 any specific discussions around Schedule A or -- is it B,
11 the other one?

12 Q. I think the other one is Schedule B, yes.

13 A. Sorry, I said "E" earlier.

14 Yeah, I don't recall having any specific
15 conversations around --

16 Q. Yeah, my question wasn't if you had a
17 conversation about it.

18 My question was if you were aware they
19 existed?

20 A. I don't recall being aware that they existed
21 on September 23rd.

22 Q. Or September -- I think September 24th is when
23 you got this email.

24 A. Sorry, yeah, I don't recall them existing on
25 September 24th.

1 J. Combs

2 that happened within a few days after September 23rd;
3 right?

4 A. From my review of the emails, it happened
5 really quick, yeah, like within two or three days.

6 Q. And wasn't the result of the Progressive
7 inspection that Hudson determined that most of the product
8 was not labeled to meet DOT and GHS requirements?

9 MS. GABAY: Objection to form.

10 A. From reading through the emails, it appears
11 that that's what Hudson believed to be the case. I don't
12 believe that to be the case, but that's what Hudson
13 believed to be the case.

14 Q. And did RGAS ever tell Hudson it disagreed
15 with that conclusion?

16 MS. GABAY: Objection to form.

17 A. You know, I recall having conversations with
18 Jason about it when -- after they performed the
19 Progressive inspection, and Jason said, you know, "They're
20 referencing these labeling deficiencies. They want us to
21 add all these labels."

22 We did not -- we told Hudson -- my
23 understanding is Jason told Hudson that, "The product is
24 fine, we don't -- there's no issues with the product.
25 It's the same product we've been selling you. It's the

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same product that we've been selling to hundreds of other customers for the last several years. No one has ever objected to the product."

Beyond that, no, I don't think that we went into any particular analysis at the time. We were just more interested in, you know, selling this product, and I think that the follow-up was Jason, rather than doing that, he just went back to Hudson and said, "Hey, just make us a new proposal with, you know, discounted prices, and you deal with whatever -- if you think it needs more labels, then you can add the labels."

Q. And Hudson didn't agree to give discounted prices; right?

MS. GABAY: Objection to form.

A. That's not exactly correct. In the beginning, Star responded and said that -- that it would only be the cost of the labels and that she would look into it and get back to him.

Ultimately, in the end, they -- they ended up -- in the end, they ended up just offering a whole new proposal, like a week later around -- I think it was actually around October -- around October 8th. So it was probably almost two weeks later. They just submitted a brand-new proposal for only specific products. They

1 J. Combs

2 excluded everything else.

3 Q. Didn't Jason request that they submit a new
4 proposal?

5 MS. GABAY: Objection to form.

6 A. Jason requested they submit a new proposal --
7 sorry, I don't know if I'd call it a new proposal. He
8 suggested that they submit -- he basically asked them to
9 offer a price taking the product as-is, you know, the
10 labeling as-is. And yes, so he did ask them to do that.

11 Q. They ultimately did not propose a price to do
12 the relabeling inhouse; right?

13 A. I'm going off of memory and looking at the
14 emails. Star, she gave -- she threw out like an estimate,
15 I believe. If you have it in the documents, I'm happy to
16 go to it and recite it, but --

17 Q. I'm not aware of an estimate.

18 A. Yeah. No, she -- her estimate didn't have an
19 exact amount. It said the cost of the sticker. So, you
20 know, that and -- and that was in response to Jason
21 asking, "If you all handle the labeling inhouse, what
22 would it be?" And she said it would be the cost of the
23 sticker.

24 Q. Let's take a look at Tab 26, which would be
25 Exhibit 15.

1 J. Combs

2 MS. GABAY: Objection to form.

3 A. At or around the time of the lawsuit?

4 Q. Correct.

5 A. No.

6 Q. And I think my understanding was that RGAS
7 relied on the warehouses to ensure that product was
8 properly labeled and packaged; right?

9 MS. GABAY: Objection to form.

10 A. Properly labeled? Those are, like, two
11 different questions. One is properly labeled, and one is
12 properly packaged. Those are sort of two completely
13 different topics.

14 Q. Well, okay.

15 The question is, did you rely on the
16 warehouses to ensure that the product was properly
17 packaged?

18 MS. GABAY: Objection to form.

19 A. We would have relied on warehouses to ensure
20 that product was properly labeled before it would ship out
21 of the warehouse, yeah.

22 Does that answer your question?

23 Q. Yeah. Would you rely on the warehouse to
24 ensure that it's properly packaged? Because you said
25 packaging and labeling is two different things.

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A. Yeah, I don't -- I personally don't recall specifically looking at any photos at or around that time that Hudson provided or might have provided.

Q. And you don't recall Debbie Cook looking at photos, either; right?

A. I don't recall, no.

Q. And do you recall Jason Crawford engaging in that kind of analysis?

A. I personally don't, no. Huh-huh.

Q. Would there be anyone else besides you, Jason, or Debbie that would have done that for RGAS?

A. Not that I can think of off the top of my head.

Q. You obviously said RGAS didn't engage an expert to review the labeling at that time; right?

MS. GABAY: Objection to form.

A. Not at that time, no.

Q. And did RGAS engage any kind of third party to review the labeling at that time?

MS. GABAY: Objection to form.

A. Not that I can recall.

Q. Okay. And so going back to the document in front of you, I'm just trying to orient us. This email string, as I understand it, is -- contains Hudson's

1 J. Combs

2 Q. And was it sold at the same price that was
3 listed on the September 23rd purchase order?

4 MS. GABAY: Objection to form.

5 A. I believe it was, to the best of my knowledge.

6 Q. And was all of the product that was sold to
7 Hudson from Progressive sold at the prices that were
8 listed on the September 23rd purchase order?

9 MS. GABAY: Objection to form.

10 A. To the best of my knowledge, yes.

11 Q. And then at some point in October, there was
12 inspections that occurred of the other warehouses; right?

13 MS. GABAY: Objection to form.

14 A. No. To the best of my knowledge, I don't --
15 sorry. Are you asking me based on -- at the time in 2020,
16 or my knowledge today?

17 Q. I'm just -- well, you're here as a company
18 representative, so obviously, it's going to be based on
19 your knowledge today. Let me ask it this way:

20 Based on your knowledge today, approximately
21 when were the rest of the inspections completed for the
22 other three warehouses?

23 A. Well, so my understanding is that RGAS did not
24 receive any results of any other inspections from the
25 other warehouses from Hudson until around -- no, November.

1 J. Combs

2 A. Correct.

3 Q. Did you ever check those products to see if
4 they were actually missing DOT-39 markings?

5 MS. GABAY: Objection to form.

6 A. Me, personally?

7 Q. RGAS. Did RGAS ever determine whether those
8 products were, in fact, missing DOT-39 markings?

9 A. No.

10 Q. Even after the time period we've been talking
11 about in 2020?

12 MS. GABAY: Objection to form.

13 A. I wouldn't say we ever checked those products
14 to see if they were missing DOT markings, no. I mean,
15 that would have been -- I mean, that would be a pretty big
16 task.

17 Q. So did RGAS ever relabel any of the products
18 in Murphy Bond, Bonded All South, or Dunavant Warehouse
19 after the Hudson deal did not happen -- or strike that.

20 Let's say -- my understanding is the Hudson
21 deal ends, for lack of a better word, around
22 November 15th, 2020?

23 A. I don't know where you come -- I come up with
24 November 12th. And I wouldn't say it ends, I would just
25 say the negotiations stopped.

1 J. Combs

2 Q. So let's put it this way:

3 However you want to phrase it, the Hudson
4 activity ends around November 12th; right?

5 A. That's my understanding, is November 12th.
6 Yeah, you referenced November 15th. I don't recall
7 anything after November 12th.

8 Q. Okay. So just using that time of
9 November 12th on, was any of -- did RGAS relabel any of
10 the inventory identified by Hudson in this email from
11 Hannah any time after November 12th?

12 MS. GABAY: Objection to form.

13 A. I wouldn't say that we -- no, we did not
14 relabel, no. I mean, I guess, what's your definition of
15 "relabel"?

16 Q. Did you add any labels to these products after
17 November 12th?

18 A. Yes, we did add some labels to some product
19 after November 12th.

20 Q. What product did you add labels to?

21 A. Oh. Specific products?

22 Q. Yeah, every product that you can remember that
23 you've added labels to -- not like canister-by-canister,
24 but by type and warehouse.

25 A. Sure. You know, John, sitting here, I don't

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recall exactly what labels were added, but there were definitely labels added to products after November 12th, 2020.

Q. Was it -- did you keep any record of what products had labels added to them?

A. We might. We might have. I'm not 100 percent sure.

Q. Who added the labels to these products for you?

A. That would have been people at the warehouses, like -- you know, the warehouses, basically.

Q. Okay. So you all hired the warehouses to add certain labels?

A. Yeah, we just -- we just -- yeah, asked them to add labels to products that they're --

Q. And how did you decide what labels to add to the products?

MS. GABAY: Objection to form.

A. Well, you know, to the best of my knowledge, I think we just added labels to everything, I think, like, just because -- yeah, I think we just added labels to everything.

Q. How did you determine what labels to add to each product?

1 J. Combs

2 MS. GABAY: Objection to form.

3 A. I don't -- I don't recall exactly how we
4 determined what specific labels to add. I think we
5 added -- yeah, I don't recall, like, the exact labels. I
6 just -- I know that I gave instructions to add labels to
7 our products at the other three warehouses we've been
8 referencing, the non-Progressive Warehouse.

9 Q. Were they the same labels identified in this
10 email as missing by Hudson?

11 MS. GABAY: Objection to form.

12 Which email are you referring to?

13 A. Yeah.

14 Q. RGAS 1170 to 1172, which is the November 10th
15 email from Hannah Baker?

16 A. Let's see. So looking at the Pasadena
17 Warehouse, they did not request us to add any labels to
18 the R22, so that would -- yeah. Same with the 134A. The
19 R22, 115 pounds needs statement warning. Yeah, the 125
20 pounds -- well, you know, I know we added some labels to
21 R22. Hudson, in this November 12th email or 10th email --
22 or 11th, sorry -- November 10th email, they didn't request
23 we add any labels to R22. So I guess that wouldn't --

24 What was your question again, because --

25 Q. Sure. My question to you -- let's take a step

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2 THE WITNESS: No worries.

3 A. So I think -- I think on this we can probably
4 just cut to the chase, John.

5 After we were served with a lawsuit, I think
6 in kind of mid-January 2021, you know, obviously, I read
7 through the lawsuit and saw that Hudson was making these
8 allegations that our product somehow was not DOT
9 compliant, not GHS compliant, and I went to an operations
10 manager, Greg Burmeister at Atomic Capital, and basically
11 just tasked him with, you know, "Can you come up with a
12 sort of catchall label?" Actually, I just tasked him
13 with, like, reviewing it, you know, looking at what should
14 be -- you know, just kind of reviewing their claims and
15 making sure that we didn't have a situation where we had
16 any product that might have had a labeling deficiency,
17 and, yeah, basically turned that project over to him. And
18 my understanding from talking with him after the fact was
19 that I think he basically just came up with some catchall
20 labels by product type. So, you know, he did his best
21 effort at understanding, you know, what would be required
22 and made a label with all those requirements with, you
23 know, never actually physically inspecting the product.
24 The idea was just, you know, he made the determination it
25 would be a lot less expensive for us to just add a label

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to all the product that we had remaining rather than to actually determine, you know, like physically send staff to each warehouse and going through thousands of cylinders to determine if there was, in fact, any product or products that were deficient in labeling.

So does that answer your question?

Q. That does.

And so I think you said -- but I want to make sure -- he didn't make a determination one way or the other about whether the product -- the product's prior labeling was compliant?

A. That's correct.

Q. And do you recall how much it cost to have all the product relabeled?

A. I would estimate it was, you know -- you know, 10-, 15,000 to maybe \$20,000 max. You know, I mean, it's difficult because there also was a lot of staff time that, you know, you just don't have any way of knowing exactly how much that was, but the actual labels themselves and the cost of having them added, I would think, is somewhere in the \$20,000 plus-or-minus range, maybe less.

Q. Okay. And you said that's \$20,000 was the actual cost of the labels, then whatever you had to pay the warehouse staff to put the labels on the boxes?

1 CERTIFICATE

2 I, Barbara J. Carey, Registered Professional
3 Reporter and Certified Shorthand Reporter, do hereby
4 certify that prior to the commencement of the examination,
5 Jesse Combs was duly remotely sworn by me to testify to
6 the truth, the whole truth and nothing but the truth.

7 I DO FURTHER CERTIFY that the foregoing is a
8 verbatim transcript of the testimony as taken
9 stenographically by me at the time, place and on the date
10 hereinbefore set forth, to the best of my ability.

11 I DO FURTHER CERTIFY that I am neither a
12 relative nor employee nor attorney nor counsel of any of
13 the parties to this action, and that I am neither a
14 relative nor employee of such attorney or counsel, and
15 that I am not financially interested in the action.

16
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18
19
20 Barbara J. Carey

21 BARBARA J. CAREY

22 Registered Professional Reporter

23 Certified Shorthand Reporter

24 Notary Public

25 Dated: June 6, 2022